



Clinical Laboratory Fee Schedule & Laboratory Services Reasonable Charge Payment: Quarterly Update

Related CR Release Date: August 17, 2023

MLN Matters Number: MM13321

Effective Date: October 1, 2023

Related Change Request (CR) Number: [CR 13321](#)

Implementation Date: October 2, 2023

Related CR Transmittal Number: R12210CP

Related CR Title: Quarterly Update for Clinical Laboratory Fee Schedule (CLFS) and Laboratory Services Subject to Reasonable Charge Payment

Affected Providers

- Hospitals
- Physicians
- Suppliers
- Other providers billing Medicare Administrative Contractors (MACs) for services provided to Medicare Program patients

Action Needed

Make sure your billing staff knows about:

- Private payor data reporting: You must report data between January – March 2024
- General specimen collection fee increase
- New and deleted HCPCS codes

Background

CLFS DELAYED - The Next CLFS Data Reporting Period for Clinical Diagnostic Laboratory Tests (CDLTs) is DELAYED until January 1, 2024 - March 31, 2024

Section 4114 of the [Consolidated Appropriations Act, 2023](#) revised the next data reporting period for CDLTs that aren't Advanced Diagnostic Laboratory Tests (ADLTs) and the phase-in of payment reductions under the Medicare private payor rate-based CLFS. The next data reporting period of January 1 - March 31, 2024, will be based on the original data collection period of January 1 - June 30, 2019. After the next data reporting period, there's a 3-year data reporting cycle for CDLTs that aren't ADLTs (in other words, 2027, 2030, and so on).

Section 216(a) of the [Protecting Access to Medicare Act of 2014](#) (PAMA) required significant changes to how Medicare pays for CDLTs under the CLFS. On December 10, 2021, the [Protecting Medicare and American Farmers from Sequester Cuts Act \(S. 610\)](#) delayed the reporting

requirement and the application of the 15% phase-in reduction.

Under the [CLFS final rule](#), reporting entities must give CMS certain private payor rate information for their component applicable laboratories. The data collection period was from January 1 - June 30, 2019. The data collection period is where a laboratory gets applicable information from claims for which the laboratory got final payment during the period.

The statutory phase-in of payment reductions resulting from private payor rate implementation is extended through CY 2026. There's a 0.0% reduction for CYs 2021, 2022, and 2023, and we won't reduce payment more than 15% for CYs 2024 through 2026.

CY 2023 Medicare Physician Fee Schedule (PFS) Final Rule:

On November 1, 2022, we issued a final rule that includes updates and policy changes for Medicare payments under the PFS, and other Medicare Part B issues, effective on or after January 1, 2023.

CLFS updates and policy changes are as follows:

Policies for Specimen Collection Fees and Travel Allowance for CDLTs:

- **Specimen Collection Policy:**
 - We finalized an increase to the nominal fee for specimen collection based on the Consumer Price Index for all Urban Consumers (CPI-U). For CY 2023, the general specimen collection fee increased from \$3 to \$8.57. We increased this amount by \$2 for those specimens you collect from a Medicare patient in a Skilled Nursing Facility (SNF) or by a laboratory on behalf of a Home Health Agency (HHA), which results in a \$10.57 specimen collection fee for those patients.
 - We've also finalized a policy to update this fee amount annually by the percent change in the CPI-U.
 - We also finalized our proposals to codify and clarify various laboratory specimen collection fee policies in [42 CFR 414.523\(a\)\(1\)](#). We did this because the policies implementing the statutory requirements under Section 1833(h)(3)(A) of [the Social Security Act](#) (the Act) for the laboratory specimen collection fee, which we describe in Section 60.1 of the Medicare Claims Processing Manual, Chapter 16, didn't have corresponding regulations text and some of the manual guidance is no longer applicable.
- **Travel Allowance Policy:** We finalized and made certain modifications and clarifications to the Medicare CLFS travel allowance policies. We finalized the addition of 42 CFR 414.523(a)(2), "Payment for travel allowance," to show requirements for the travel allowance for specimen collection. Specifically, per Section 1833(h)(3)(B) of the Act, we include the following requirements for the travel allowance methodology:
 - A general requirement
 - Travel allowance basis requirements
 - Travel allowance amount requirements

See the [PFS](#) and [travel allowance/specimen collection fee updates](#) for more information.

Advanced Diagnostic Laboratory Tests (ADLTs)

Visit the [CLFS web page](#) for more information.

New Codes Effective October 1, 2023 - Proprietary Laboratory Analysis (PLAs) and Additional New Codes

See the [table](#) in CR 13321 entitled "CY2023 CLFS Quarter 4 Updates," Tab "New Codes Effective 10-1-23." We're adding the listed new codes to the national HCPCS file with an effective date of October 1, 2023. These new codes are MAC-priced, where applicable, until they're nationally priced and undergo the CLFS annual payment determination process per Sections [1833\(h\)\(8\)](#), [1834A\(c\)](#) and 1834(A)(f) of the Act. MACs will only price PLA codes for laboratories within their jurisdiction. The table includes the laboratory, long descriptor, short descriptor, and type of service (TOS) of each new code.

Note: Your MAC won't search its files to retract payment or retroactively pay claims; however, they'll adjust claims you bring to their attention.

Deleted Codes Effective July 1, 2023

See the [table](#) in CR 13321 entitled "CY2023 CLFS Quarter 4 Updates," Tab "Deleted Codes Effective 10-1-23." We're deleting the listed codes effective October 1, 2023. The table includes the code, long descriptor, and delete date of the code.

More Information

We issued CR 13321 to your MAC as the official instruction for this change.

For more information, [find your MAC's website](#).

Document History

Date of Change	Description
August 17, 2023	Initial article released.

View the [Medicare Learning Network® Content Disclaimer and Department of Health & Human Services Disclosure](#).

The Medicare Learning Network®, MLN Connects®, and MLN Matters® are registered trademarks of the U.S. Department of Health & Human Services (HHS).

CPT only copyright 2022 American Medical Association. All rights reserved.